

1 **ENROLLED ORDINANCE**

2  
3 **NO. 2024 - 828**

4  
5  
6 **INTRODUCED BY COMMISSIONER: BELL**

7  
8 **AN ORDINANCE TO AMEND CHAPTER 65 OF THE WAYNE COUNTY CODE OF**  
9 **ORDINANCES, “AUDITOR GENERAL”, TO REVISE SECTION 65-2 TO ALLOW AN**  
10 **INDIVIDUAL SERVING AS THE LEGISLATIVE AUDITOR GENERAL TO**  
11 **CONTINUE TO SERVE IN THE POSITION AFTER TEN CUMULATIVE YEARS**  
12 **UNTIL A SUCCESSOR IS APPOINTED.**

13  
14 **IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CHARTER COUNTY OF**  
15 **WAYNE:**

16  
17 **SECTION 1: CODE OF ORDINANCES AMENDED**

18  
19 Chapter 65 of the Wayne County Code of Ordinances is amended to read as follows:

20  
21 Sec. 65-1. Office created.

22 The office of legislative auditor general for the county is hereby created.

23  
24 Sec. 65-2. Appointment, compensation and removal.

25 The term of office is either two years, three years or five years, as is provided by the  
26 resolution of appointment, beginning with the taking of office. The auditor general shall  
27 be appointed by a majority of county commissioners serving. The auditor general may be  
28 removed for cause by a two-thirds vote of the commissioners serving. The auditor general  
29 shall be a CPA with at least five years’ experience in auditing governmental bodies. The  
30 compensation for the auditor general shall be established by the commission. A person  
31 shall not be eligible for reappointment for a term which exceeds a cumulative total of ten  
32 years as auditor general. An individual who is serving as auditor general and who has  
33 completed ten cumulative years in the position of auditor general may continue to serve  
34 or be reappointed to serve as auditor general until a successor is appointed.

35  
36 Sec. 65-3. Supporting staff.

37 Subject to the approval of the county commission, the auditor general may, within  
38 authorized appropriations, hire, promote, discipline, and remove staff employees or  
39 consultant auditors. Every member of the staff serves only at the pleasure of the county  
40 commission.

41  
42 Sec. 65-4. Powers and duties.

43 (a) The auditor general shall:

- 44  
45 (1) Make audits of the financial transactions of all county agencies at least  
46 once every two years, or as otherwise directed by the county commission;

- 1
- 2           (2)    Make compliance audits of the past or current operations as requested by
- 3                    the audit committee county commission;
- 4
- 5           (3)    Make performance audits of agency operations if requested by the
- 6                    executive officer in charge thereof; and
- 7
- 8           (4)    Make a full report to the county commission of each individual audit and
- 9                    file a copy with the CEO.
- 10
- 11 (b) The auditor general shall perform other duties as required by ordinance. The
- 12     performance of the auditor general shall be annually reviewed by the county
- 13     commission.
- 14
- 15 (c) The audit staff shall have access to the staff, property, and to the financial and other
- 16     records, including computer hardware and software, of all county agencies during
- 17     their regular operating hours.
- 18
- 19 (d) The auditor general may perform attestation, compliance, operational, and
- 20     assurance audits and consulting engagements of any county department, agency or
- 21     grant.
- 22
- 23 (e) Pursuant to subsections 3.119(c) and (d) of the Wayne County Home Rule Charter,
- 24     each officer or employee of the county has an affirmative duty to cooperate with the
- 25     audit staff and to:
- 26
- 27           (1) Promptly answer any question to the best of his or her ability which is within
- 28                    his or her knowledge and which is reasonably devised to enable the efficient
- 29                    and orderly completion of an audit;
- 30
- 31           (2) Promptly produce any document or record which is within the normal or
- 32                    present actual use, custody or control of the officer or employee;
- 33
- 34           (3) Promptly provide guidance to an auditor toward any group of files of
- 35                    requested kind or character, and enable the auditor to review, browse through
- 36                    or copy those files at the convenience of the auditor during regular operating
- 37                    hours.
- 38
- 39 (f) With respect to the affirmative duties prescribed in section 65-4(e):
- 40
- 41           (1)    An officer or employee may indicate to an inquiring auditor that another
- 42                    person may be better informed or more able to provide a definitive or
- 43                    authoritative answer, or final version of a document or record, but may not
- 44                    decline to comply with the question or request to the best of his or her
- 45                    ability. It is a violation of this duty to delay or to decline to answer a
- 46                    question or to produce a document or record by referring an auditor to a

1 more authoritative or knowledgeable source. It is also a violation of this  
2 duty to fail to provide guidance to an auditor as to the location of files of a  
3 specified kind and to fail to enable an auditor to promptly review or browse  
4 through those files. A custodian may remain in attendance with an auditor  
5 while the auditor reviews, browses or copies a file or group of files, but  
6 may not condition that review, browsing or copymaking upon the  
7 availability of the custodian to remain in such attendance.  
8

9 (2) It is a violation of this duty for a supervisor to direct his or her subordinates  
10 to refuse, decline, refer or take any other dilatory or evasive action to  
11 answer a question which is within their ordinary knowledge and scope of  
12 work, or to produce a document, or to provide guidance to the location of  
13 a set of files which the auditor requests to review or browse, which  
14 document or set of files is within the subordinate's normal or present actual  
15 use, custody or control.  
16

17 (3) It is a violation of this ordinance and of the Michigan whistle-blower's act,  
18 being MCL 115.361 et seq., for a supervisor to discipline or to take any  
19 other retaliatory action against an employee who has complied with the  
20 affirmative duty to cooperate with an audit as prescribed by the Wayne  
21 County Home Rule Charter and by this chapter. A civil action against an  
22 offending supervisor under the whistleblower's act may be initiated by the  
23 offended employee or by the offended auditor or by both.  
24

25 (4) When a question or request for a document or guidance toward a set of  
26 files is made orally by an auditor, it shall be witnessed by at least one  
27 additional person.  
28

29 (5) An officer or employee who refuses or fails to respond to a witnessed oral  
30 question or request for a document or provide guidance toward a set of  
31 files, or to a written request for such by audit staff, or is otherwise in  
32 violation of these affirmative duties, shall be responsible for a civil  
33 infraction, and subject to a fine of up to \$500.00.  
34

35 (6) An officer or employee, who refuses or fails to respond to a written  
36 question or request for a document or provide guidance toward a set of  
37 files by audit staff, after pleading or being found responsible for a previous  
38 violation, is guilty of a misdemeanor, and may be sentenced to a fine of up  
39 to \$500.00, or a term of confinement in the Wayne County jail for up to 90  
40 days, or both. If confined to the Wayne County jail, the sheriff shall seek  
41 full reimbursement for all costs of incarceration.  
42

43 (7) The enforcement of the provisions of subsections (e) and (f) may be  
44 instituted by a complaint to the Wayne County prosecuting attorney to be  
45 tried by the district court in whose jurisdiction the violation occurred, or by  
46 a civil suit filed in the Third Circuit Court by the Wayne County Commission

1 Counsel. Appropriate equitable relief may also be sought and ordered in a  
2 civil suit.

3  
4 (g) As soon as possible after the close of each fiscal year, the auditor general shall  
5 make a report of the financial position of the county. Beginning with the fiscal  
6 year ending November 30, 1998, the auditor general shall engage by contract an  
7 independent external auditor with the approval of a majority of the commissioners  
8 serving, subject to the veto of the chief executive officer and override  
9 requirement. The auditor shall be a certified public accountant. The term of the  
10 contract shall be established by the county commission, but the first term shall  
11 be for not less than three years and an auditor may not serve more than eight  
12 consecutive years. The contract may be terminated for cause by a majority of the  
13 commissioners serving.

14  
15 (h) The independent external auditor shall audit annually all funds and property of  
16 the county and shall report the extent of compliance with section 5.111 of the  
17 Charter. The audit and report shall be completed within 120 days after the fiscal  
18 year. Copies of the audit and report shall be transmitted to the chief executive  
19 officer, the commissioners, the state treasurer, and as required by ordinance and  
20 shall be available for public inspection.

21  
22 Sec. 65-5. Office limitations.

23 The auditor general may hold no other county or state office. Except as may otherwise  
24 be provided by the Charter or ordinance, the auditor general shall not have any  
25 connection with the county commission, department or agency, nor be custodian of any  
26 cash or securities belonging to the county other than the appropriation to the office.

27  
28 Sec. 65-6. Triennial peer review.

29 The county commission shall contract with an independent audit firm or other qualified  
30 entity or group which has no other contracts with the county to conduct a peer review of  
31 the auditor general's office at least every three years. The report of the performance audit  
32 shall be available to the public.

33  
34 Sec. 65-7. Duties and responsibilities, and professional performance standards of the  
35 legislative auditor general established.

36 (a) In all matters, the auditor general shall act as the county's independent internal  
37 auditor. The auditor general shall perform audits of all county departments,  
38 agencies, and branches of government in accordance with generally accepted  
39 government auditing standards (GAGAS), International Standards for the  
40 Professional Practice of Internal Auditing (IIA), American Institute of Certified  
41 Public Accountants (AICPA) and in compliance with standards of the state  
42 department of treasury.

43  
44 (b) The auditor general shall perform the following duties:  
45

1           (1)    Make financial or performance audits of any county department, agency or  
2                   grant. Financial audits include financial statement and financial audits. A  
3                   financial audit may include a review of operational compliance with  
4                   established policies; ordinances; budget instructions; or federal, state, and  
5                   local laws, rules and regulations, which is incident to performance of the  
6                   financial audit. It may include a management letter regarding performance  
7                   observations made incident to conducting a financial or compliance audit.  
8

9           a.    Financial statement audits shall determine:

- 10
- 11           1.    Whether the financial statements of an audited entity present fairly the  
12                   financial position, results of operations, and cash flows or changes in  
13                   financial position in accordance with generally accepted accounting  
14                   principles (GAAP). Whether an entity's reported financial condition,  
15                   results, and use of resources are presented fairly in accordance with  
16                   recognized criteria; and
  - 17
  - 18           2.    Whether the entity has complied with laws and regulations for those  
19                   transactions and events that may have a material effect on the financial  
20                   statements.

21

22           b.    Financial audits shall include determining:

- 23
- 24           1.    Whether financial reports and related items such as elements, accounts,  
25                   or funds are fairly presented;
  - 26
  - 27           2.    Whether financial information is presented in accordance with established  
28                   or stated criteria; and
  - 29
  - 30           3.    Whether the entity has adhered to specific financial compliance  
31                   requirements.

32

33           (2)    Financial audits may include audits of the following items:

- 34
- 35           a.    Segments of financial statements.
  - 36
  - 37           b.    Financial information (e.g., statement of revenue and expenses, statements  
38                   of cash receipts and disbursements, statement of fixed assets).
  - 39
  - 40           c.    Reports and schedules on financial matters, such as expenditures for  
41                   specific programs or services, budget requests, and variances between  
42                   estimated and actual financial performance.
  - 43
  - 44           d.    Contracts (e.g., bid proposals, contract pricing, amounts billed, amounts due  
45                   on termination claims, compliance with contract terms).
  - 46

- 1 e. Grants.
- 2
- 3 f. Internal control systems and structure over accounting, financial reporting,
- 4 and transaction processing.
- 5
- 6 g. Computer-based systems.
- 7
- 8 h. Financial systems (e.g., payroll systems).
- 9
- 10 i. Fraud.

11  
12 (3) Performance audits may include economy and efficiency and program audits.  
13 Performance audits are defined as engagements that provide assurance or  
14 conclusions based on an evaluation of sufficient, appropriate evidence of stated  
15 criteria. Performance audits may include economy and efficiency, assessment of  
16 program effectiveness, internal controls, compliance and prospective analysis.

- 17
- 18 a. Economy and efficiency audits shall include determining:
    - 19
    - 20 1. Whether the entity is acquiring, protecting, and using its resources (such
    - 21 as personnel, property, and space) economically and efficiently;
    - 22
    - 23 2. The causes of inefficiencies or uneconomical practices; and
    - 24
    - 25 3. Whether the entity has complied with laws and regulations concerning
    - 26 matters of economy and efficiency.
    - 27

- 28 b. Program audits shall include determining:
  - 29
  - 30 1. The extent to which the desired results or benefits established by the
  - 31 legislature or other authorizing body are being achieved;
  - 32
  - 33 2. The effectiveness of organizations, programs, activities, or functions; and
  - 34
  - 35 3. Whether the entity has complied with laws and regulations applicable to
  - 36 the program.
  - 37

38 (4) Economy and efficiency audits may, for example, consider whether the entity:

- 39
- 40 a. Is following sound procurement practices.
- 41
- 42 b. Is acquiring the appropriate type, quality, and amount of resources when
- 43 needed at the lowest cost.
- 44
- 45 c. Is properly protecting and maintaining its resources.
- 46

- 1 d. Is avoiding duplication of effort by employees and work that serves little or no  
2 purpose.
- 3
- 4 e. Is avoiding idleness and overstaffing.
- 5
- 6 f. Is using efficient operating procedures.
- 7
- 8 g. Is using the minimum amount of resources (staff, equipment and facilities) in  
9 producing or delivering the appropriate quantity and quality of goods or services  
10 in a timely manner.
- 11
- 12 h. Is complying with requirements of laws and regulations that could significantly  
13 affect the acquisition, protection and use of the entity's resources.
- 14
- 15 i. Has an adequate system for measuring and reporting performance on economy  
16 and efficiency.
- 17

18 (5) Program audits may, for example:

- 19
- 20 a. Assess whether the objectives of a proposed, new or ongoing program are  
21 proper, suitable or relevant.
- 22
- 23 b. Determine the extent to which a program achieves a desired level of program  
24 results.
- 25
- 26 c. Assess the effectiveness of the program and/or of individual program  
27 components.
- 28
- 29 d. Identify factors inhibiting satisfactory performance.
- 30
- 31 e. Determine whether management has considered alternatives for carrying out  
32 the program that might yield desired results more effectively or at a lower cost.
- 33
- 34 f. Determine whether the program complements, duplicates, overlaps or conflicts  
35 with other related programs.
- 36
- 37 g. Identify ways of making programs work better.
- 38
- 39 h. Assess compliance with laws and regulations applicable to the program.
- 40
- 41 i. Assess the adequacy of management's system for measuring and reporting  
42 effectiveness.
- 43

44 (6) Generally, at the completion of a performance audit the auditor shall not express  
45 an opinion on the overall level of performance. Therefore these standards do not  
46 contemplate that the auditor will be called upon to give such an opinion. Rather

1 the auditor shall report findings and conclusions on the extent and adequacy of  
2 performance, and on specific processes, methods and internal controls that can  
3 be made more efficient or effective. If potential for improvement is found, the  
4 auditor shall recommend appropriate corrective action.

5  
6 (7) Audits may have a combination of financial and performance audit objectives, or  
7 may have objectives limited to only some aspects of one audit type. For example,  
8 auditors may conduct audits of government contracts and grants with private  
9 sector organizations, as well as government and nonprofit organizations, which  
10 may include both financial and performance objectives. These are commonly  
11 referred to as "contract audits" or "grant audits." Other examples of such audits  
12 include specific audits of internal controls, compliance, and computer-based  
13 systems. Auditors shall follow the appropriate professional standards that are  
14 applicable to the individual objectives of the audit.

15  
16 (8) Attestation engagements may cover a broad range of financial and nonfinancial  
17 objectives and may provide different levels of assurance about the subject matter  
18 or assertions depending on the user's needs. Attestation engagements result in  
19 an examination, review and an agreed upon procedures report on subject matter  
20 or on an assertion about a subject that is the responsibility of another party.

21  
22 (9) Assurance engagements involve the internal auditors objective assessment of  
23 evidence to provide an independent opinion or conclusions regarding a process,  
24 system, or other subject matter.

25  
26 (10) Consulting engagements are advisory in nature, and are generally performed at  
27 the specific request of an engagement client.

28  
29 (11) The legislative auditor general shall employ staff information system (IS) auditors  
30 to evaluate the business risks imposed by data processing. Auditors shall work  
31 with management to recommend solutions for managing risk and ensuring the  
32 security, reliability and integrity of data processing facilities, software and data.  
33 Information system audits shall adopt and comply with the general standards for  
34 information systems auditing in accordance with ISACA standards (formerly  
35 known as (Information System Assurance and Control Association) and all  
36 applicable standards as established by the Institute of Internal Auditors (IIA) and  
37 the American Institute of Certified Public Accountants (AICPA).

38  
39 (12) IS audit shall evaluate data processing controls in three areas of the organization.  
40 These areas include:

- 41  
42 a. Applications include all business information functions where a computer plays  
43 any role in the processing. Applications systems involve one or more county  
44 departments as well as computer operations.  
45

- 1           b. Systems development includes the activities of systems analysts,  
2           programmers, managers, and management tools involved in developing and  
3           modifying application files, programs, and other procedures.  
4
- 5           c. The information processing facility includes all activities involving the computer  
6           equipment, operating system software, and database. This includes computer  
7           operations, libraries, data entry equipment, data communications, data  
8           distribution, and security.  
9

10 (13) The IS auditor shall evaluate controls over management information by reviewing  
11 the relevant activities in the data processing area. Specific categories of review  
12 include the following:  
13

- 14           a. Systems development life cycle review: the auditor shall review systems  
15           development life cycle procedures to determine their adequacy and compliance  
16           with SDLC standards.  
17
- 18           b. Applications system development review: the auditor shall review application  
19           systems under development to determine the adequacy and completeness of  
20           planned controls and evaluate whether the design meets user requirements.  
21
- 22           c. Application systems control review: the auditor shall review production system  
23           controls to determine that the system produces and processes information in a  
24           timely accurate and complete manner.  
25
- 26           d. Data integrity review: the auditor shall review data for completeness,  
27           consistency and correctness to determine the integrity of the data.  
28
- 29           e. General operational and procedural control review: the auditor shall review data  
30           processing operating procedures and data processing operations to determine  
31           that applications are processed in a controlled environment.  
32
- 33           f. Security review: the auditor shall review security methods and procedures to  
34           ensure that program, data and the data processing installation are adequately  
35           protected.  
36
- 37           g. Systems software review: the auditor shall review and evaluate the controls  
38           over systems software and their use to determine their compliance with the  
39           organization's policies.  
40
- 41           h. Maintenance review: the auditor shall review and evaluate the procedures  
42           making modifications to existing production systems and determine that  
43           modifications are made in accordance with organizational policies.  
44

1 i. Data processing resource management review: the auditor shall review data  
2 processing planning, administrative, and management practices to determine  
3 their adequacy in fulfilling organizational needs.  
4

5 (14) To permit IS auditing to meet their objectives, the county shall provide the  
6 following authorities to the IS audit staff:  
7

8 a. IS auditors shall have complete and reasonable access to all internal data  
9 processing areas, premises of third parties which supply data processing  
10 services, and mini-or micro-processors used by individual departments.  
11

12 b. IS auditors shall have access to all executive, management, and application  
13 steering and management committees responsible for establishing data  
14 processing policy, developing software, acquiring data processing resources  
15 and maintaining existing software.  
16

17 c. IS auditors shall have access to read all county files stored on data processing  
18 equipment except for those files exempted by law or mutually agreed to by the  
19 auditor general and management. Access should include all application  
20 databases, JCL members, transaction logging files and operating system  
21 tables.  
22

23 d. IS auditors shall be provided access to necessary resources, including  
24 reporting and statistical software, to conduct automated audit procedures.  
25

26 Sec. 65-8. Audit required by County Commission.

27 (a) At least once each two years the legislative auditor general or a certified public  
28 accountant appointed by the legislative auditor general shall conduct an  
29 operational audit of the county commission.  
30

31 (b) The legislative auditor general in consultation with the committee on audit of the  
32 county commission shall determine the scope and frequency of each operational  
33 audit conducted pursuant to subsection (a). Each operational audit shall address  
34 internal controls, management practices, and compliance with law, ordinance and  
35 rules of the county commission.  
36

37 (c) A copy of the completed audit report shall be submitted to each county  
38 commissioner.  
39

40 **SECTION 2: PREEMPTION**

41 If any section, clause, or provision of this Division conflicts with any state law then the  
42 section, clause, or provision of state law shall be read to supersede the conflicting  
43 provisions of this Division to the extent necessary to give the state law full force and effect.  
44

45 **SECTION 3: SEVERABILITY**  
46

1 The provisions of this Ordinance shall be severable. If a court of competent jurisdiction  
2 declares any provision of this Ordinance invalid, illegal or unenforceable in any respect  
3 for any reason, such invalidity, illegality or unenforceability shall not affect any other  
4 provision in this Ordinance.

5  
6

7 **SECTION 4: EFFECTIVE DATE**

8 This Ordinance is effective twenty-one (21) days after its adoption by the Wayne County  
9 Commission.

10  
11

12 **ADOPTED BY THE WAYNE COUNTY COMMISSION ON DECEMBER 3, 2024**

13  
14

(2024-68-003)